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SENATE BILL 321 By
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HOUSE BILL 1173
By Kerr

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 36,
Part 7, relative to adjustment of retirement allowances
under the Tennessee consolidated retirement system.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 36, Part 7, is amended by
adding the following new section:

Section _____. (a) (1) Beginning July 1, 1997, each retired teacher and retired
general employee who is seventy-five (75) years of age or older and who retired prior to
July 1, 1982, shall receive a monthly retirement allowance equal to a percentage of the
total retirement allowance received in January 1997, from the state by such teacher or
employee as follows:

(A) Persons receiving less than ten thousand dollars (\$10,000) per
annum in total retirement benefits shall receive a monthly allowance equal to five
percent (5%) of their January monthly retirement benefits;

(B) Persons receiving at least ten thousand dollars (\$10,000) per annum,
but not more than fifteen thousand five hundred dollars (\$15,500) per annum, in
total retirement benefits shall receive a monthly allowance equal to three percent
(3%) of their January monthly retirement benefits; and

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(C) Persons receiving more than fifteen thousand five hundred dollars (\$15,500) per annum in total retirement benefits shall receive a monthly allowance equal to two percent (2%) of their January monthly retirement benefits.

(2) Such amounts shall be in addition to the retirement allowance from the state, including the amounts authorized by § 8-36-701.

(b) As used in this section:

(1) "Retired teacher" and "retired general employee" mean any retired teacher and any retired general employee, as defined in § 8-34-101(18) or (46), and any former teacher or state employee receiving benefits under chapter 39, part 1 of this title, who retired on or before June 30, 1982; provided, that for retired general employees of political subdivisions, this allowance may only be granted if the chief governing body of the political subdivision authorizes this credit and accepts the liability therefor and informs the retirement system before June 15, 1997, of its authorization of this credit; and

(2) "Total retirement benefits" includes benefits from both the Tennessee consolidated retirement system and from social security. The increase in benefits authorized by this section shall be based on the monthly payments made by the Tennessee consolidated retirement system.

(c) The recomputed retirement benefit paid to a retired teacher or a retired state general employee under this section as a result of passage of § 8-36-209(a)(1) shall be calculated without regard to the provisions of § 8-36-102.

(d) The recomputed retirement benefit paid to a retired teacher or a retired state general employee under this section shall be calculated without regard to the provisions of § 8-36-707.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it.